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EXAMINER
LASTRA, DANIEL

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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

PTOL-90A (Rev. 04/07)

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *29 September 2009*.
2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.
3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1,3-12,14-29,37-52,60-65,67-69 and 76-80* is/are pending in the application.
    4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5)☐ Claim(s) _____ is/are allowed.
6)☒ Claim(s) *1, 3-12, 14-29, 37-52, 60-65, 67-69 and 76-80* is/are rejected.
7)☐ Claim(s) _____ is/are objected to.
8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.
10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.
    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
    a)☐ All b)☐ Some * c)☐ None of:
      1.☐ Certified copies of the priority documents have been received.
      2.☐ Certified copies of the priority documents have been received in Application No. _____.
      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1)☒ Notice of References Cited (PTO-892)
2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3)☐ Information Disclosure Statement(s) (PTO/SB/08)
    Paper No(s)/Mail Date _____.

4)☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____.
5)☐ Notice of Informal Patent Application
6)☐ Other: _____.

DETAILED ACTION

1.   Claims 1, 3-12, 14-29, 37-52, 60-65, 67-69 and 76-80 have been examined.

Application 10/676,848 (METHOD AND SYSTEM FOR MANAGING CONCURRENT

SKU-BASED REWARDS PROGRAM) has a filing date 09/30/2003.

Response to Amendment

2.   In response to final rejection filed 05/29/09, the Applicant filed an RCE on

09/29/09, which amended claims 1, 6-7, 9-12, 14-17, 20-22, 25-29, 37-38, 40-46, 48,

50, 52, 60, 63-65, 67-69, cancel claims 30-36, 53-59, 66, 70-75 and added new claims

76-80.

Claim Rejections - 35 USC § 103

3.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set
> forth in section 102 of this title, if the differences between the subject matter sought to be patented and
> the prior art are such that the subject matter as a whole would have been obvious at the time the
> invention was made to a person having ordinary skill in the art to which said subject matter pertains.
> Patentability shall not be negatived by the manner in which the invention was made.

Claims 1, 3-12, 14-29, 37-52, 60-65, 67-69 and 76-80 are rejected under 35

U.S.C. 103(a) as being unpatentable over Iannacci (US 2002/0062249) in view of

Fernandez (US 2001/0016827).

Claim 1, Iannacci teaches:

A method for determining one or more incentives to apply to a transaction, the

method comprising:

determining a plurality of incentives that are eligible for application to the

transaction using a distribution channel, the eligibility of each of the plurality of

incentives is based on at least one product in the transaction, wherein the at least one product is associated with a product identifier that is used to determine the plurality of incentives, wherein at least two of the plurality of incentives are determined using the same product identifier in the transaction (see paragraph 235-238, 314, 334), *wherein the product identifier is a stock keeping unit (SKU) (see paragraph 216)*;

determining two or more incentives from the plurality of incentives to apply to the transaction using the distribution channel (see paragraph 133); and applying the determined two or more incentives to the transaction using the distribution channel (See paragraph 133);

wherein the distribution channel operates while determining the plurality of incentives, determining the two or more incentives, and applying the determined two or more incentives to the transaction (see paragraphs 126, 334). Iannacci does not teach said distribution channel operates in an offline manner. However, Fernandez teaches a loyalty system where a point of sale terminal operates in an offline manner while determining the incentives to apply to a transaction (see paragraphs 26-31). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the application was made, to know that Iannacci would modify his invention to allow loyalty programs to run in stand alone (i.e. offline) point of sale terminals, as taught by Fernandez in order to eliminate the necessity to maintain continuous contact or access between point of sale terminals and a central server when administering a loyalty program.

Claim 3, Iannacci teaches:

communicating with a portable device to determine portable device information (see paragraph 178);

wherein determining the plurality of incentives comprises using the portable device information to determine the plurality of incentives eligible for application to the transaction (see paragraph 178).

Claim 4, Iannacci teaches:

wherein determining the two or more incentives using a distribution channel comprises using the determined portable device information to determine the two or more incentives (see paragraph 178, 235-238,334).

Claim 5, Iannacci teaches:

wherein using the determined portable device information comprises comparing the portable device information with information associated with the plurality of incentives to determine the plurality of incentives (see paragraph 164).

Claim 6, Iannacci teaches:

updating the portable device information in the portable device to indicate that the determined two or more incentives have been applied to the transaction (see paragraph 235-238, 314, 334).

Claim 7, Iannacci teaches:

wherein determining the two or more incentives using the distribution channel comprises determining information for applying the determined two or more incentives (see paragraph 311-334); and

using the information to determine how the determined two or more incentives

are to be applied to the transaction (see paragraph 311-334).

Claim 8, Iannacci teaches:

wherein the information comprises information indicating if an incentive is

combinable with another incentive (see paragraph 277-282).

Claim 9, Iannacci teaches:

wherein determining the two or more incentives using the distribution channel

comprises comparing the information for applying the determined two or more

incentives with transaction details for the transaction to determine the two or more

incentives (see paragraph 312-334).

Claim 10, Iannacci teaches:

calculating a total value for the transaction, wherein a collective value of the two

or more incentives when applied is equal to or less than the total value (see paragraph

318-334).

Claim 11, Iannacci teaches:

wherein applying the determined two or more incentives using the distribution

channel comprises calculating a new total value based on the total value for the

transaction less the value of the two or more incentives (see paragraph 318-334).

Claim 12, Iannacci teaches:

A method for managing incentives in connection with a loyalty transaction, the

method comprising:

determining a plurality of incentives that are eligible for the loyalty transaction using a distribution channel, the eligibility of each of the plurality of incentives is determined based on at least one product in the transaction, wherein the at least one product is associated with a product identifier that is used to determine the plurality of incentives, wherein at least two of the plurality of incentives are determined using the same product identifier, wherein the product identifier is a stock keeping unit (see paragraph 216, 235-238, 314, 334);

calculating an incentive value for each of the plurality of incentives using the distribution channel (see paragraph 133);

determining two or more incentives from the plurality of incentives to apply to the loyalty transaction based on the calculated incentive values for each of the plurality of incentives using the distribution channel (see paragraph 334); and applying the determined two or more incentives to the loyalty transaction using the distribution channel (see paragraph 150);

wherein the distribution channel operates while determining the plurality of incentives, calculating the incentive value, determining the two or more incentives, and applying the determined two or more incentives to the transaction (see paragraphs 126, 334). Iannacci does not teach said distribution channel operates in an offline manner. However, Fernandez teaches a loyalty system where a point of sale terminal operates in an offline manner while determining the incentives to apply to a transaction (see paragraphs 26-31). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the application was made, to know that Iannacci would modify his

invention to allow loyalty programs to run in stand alone (i.e. offline) point of sale terminals, as taught by Fernandez in order to eliminate the necessity to maintain continuous contact or access between point of sale terminals and a central server when administering a loyalty program.

Claim 14, Iannacci teaches:

wherein determining two or more incentives using the distribution channel comprises:

determining a highest incentive value from the calculated incentive values (see paragraph 311-334);

and

wherein applying the determined two or more incentives comprises applying an incentive with the highest incentive value (see paragraph 311-334).

Claim 15, Iannacci teaches:

determining if the incentive with the highest incentive value allows the incentive to be combined with other incentives using the distribution channel (see paragraph 277); and

if the incentive does allow for combining, determining another incentive to apply to the loyalty transaction in addition to the incentive with the highest value using the distribution channel (see paragraph 277).

Claim 16, Iannacci teaches:

calculating a total value for the loyalty transaction using the distribution channel, wherein a collective value of the two or more incentives is equal to or less than the calculated total value (see paragraph 311-334).

Claim 17, Iannacci teaches:

wherein applying the determined two or more incentives using the distribution channel comprising calculating a new total value from the total value based on the determined two or more incentives (see paragraph 311-334).

Claim 18, Iannacci teaches:

outputting the new total value using the distribution channel (see paragraph 311-328).

Claim 19, Iannacci teaches:

communicating with a portable device to determine portable device information;

wherein determining the plurality of incentives also comprises using the portable device information to determine the plurality of incentives that are eligible for the loyalty transaction (see paragraph 178).

Claim 20, Iannacci teaches:

updating portable device information in the portable device to indicate that the two or more incentives have been applied to the loyalty transaction (see paragraph 178).

Claim 21, Iannacci teaches:

A method for determining two or more incentives to apply to a loyalty transaction, the method comprising:

communicating with a portable device to conduct the loyalty transaction, the loyalty transaction involving at least one product having a product identifier (see paragraph 178);

determining portable device information for the portable device (see paragraph 178);

determining a plurality of incentives that are eligible for the loyalty transaction, the eligible incentives determined based on the product identifier and the portable device information wherein at least two of the plurality of incentives are determined using the same product identifier (see paragraph 235-238, 314, 334), *wherein the product identifier is a stock keeping unit (see paragraph 216)*;

determining two or more incentives from the plurality of incentives to apply to the loyalty transaction (see paragraph 328-334); and

applying the determined two or more incentives to the loyalty transaction (see paragraph 328-334).

wherein the distribution channel operates while determining the plurality of incentives, calculating the incentive value, determining the two or more incentives, and applying the determined two or more incentives to the transaction (see paragraphs 126, 334). Iannacci does not teach said distribution channel operates in an offline manner. However, Fernandez teaches a loyalty system where a point of sale terminal operates in an offline manner while determining the incentives to apply to a transaction (see

paragraphs 26-31). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the application was made, to know that Iannacci would modify his invention to allow loyalty programs to run in stand alone (i.e. offline) point of sale terminals, as taught by Fernandez in order to eliminate the necessity to maintain continuous contact or access between point of sale terminals and a central server when administering a loyalty program.

Claim 22, Iannacci teaches:

wherein determining the two or more incentives comprises determining information for applying the one or more incentives (see paragraph 311-334); and

using the information for applying to determine how the two or more incentives are to be applied to the loyalty transaction (see paragraph 311-334).

Claim 23, Iannacci teaches:

wherein the information for applying comprises information indicating if an incentive is combinable with another incentive (see paragraph 277-282).

Claim 24, Iannacci teaches:

wherein the information for applying comprises information indicating that an incentive having a nearest expiration date is to be applied (see paragraph 240).

Claim 25 and 36, Iannacci teaches:

wherein the information for applying comprises information indicating that a user preference is to be used to determine how to apply the two or more incentives (see paragraph 311-334).

Claim 26, Iannacci teaches:

wherein determining the two or more incentives comprises comparing the information for applying with transaction details for the loyalty transaction to determine the two or more incentives (see paragraph 311-334).

Claim 27, Iannacci teaches:

calculating a total value for the loyalty transaction, wherein a collective value of the two or more incentives when applied is equal to or less than the total value (see paragraphs 311-334; figure 14).

Claim 28, Iannacci teaches:

wherein applying the determined two or more incentives comprises calculating a new total value for the loyalty transaction based on the two or more incentives (see paragraphs 311-334; figure 14).

Claim 29, Iannacci teaches:

updating information in the portable device to indicate that the two or more incentives have been applied to the transaction (see paragraph 178).

Claim 37, Iannacci teaches:

A method for determining two or more incentives to apply to a loyalty transaction, the method comprising:

using a portable device in a loyalty transaction at a distribution channel for at least one product associated with a product identifier (see paragraph 178);

determining loyalty program information for a plurality of loyalty programs using the distribution channel (see paragraph 311-328);

determining portable device information for the portable device from the portable device (see paragraph 178);

determining transaction details for the loyalty transaction using the distribution channel (see paragraph 311-328);

determining a plurality of incentives that are eligible for application to the transaction using the distribution channel, the eligibility of each of the plurality of incentives is at least one product identifier in the transaction, wherein at least two of the plurality of incentives are determining using the same product identifier, *wherein the product identifier is a stock keeping unit (see paragraphs 216, 235-238, 314, 334);*

determining two or more incentives from a plurality of incentives to apply to the loyalty transaction based on at least one of the loyalty program information, portable device information, product identifier, and transaction details using the distribution channel (see paragraph 311-334); and

applying the determined two or more incentives to the loyalty transaction using the distribution channel (see paragraph 311-328);

wherein the distribution channel operates while determining the plurality of incentives, determining the two or more incentives, and applying the determined two or more incentives to the transaction (see paragraphs 126, 334). Iannacci does not teach said distribution channel operates in an offline manner. However, Fernandez teaches a loyalty system where a point of sale terminal operates in an offline manner while determining the incentives to apply to a transaction (see paragraphs 26-31). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the

application was made, to know that Iannacci would modify his invention to allow loyalty

programs to run in stand alone (i.e. offline) point of sale terminals, as taught by

Fernandez in order to eliminate the necessity to maintain continuous contact or access

between point of sale terminals and a central server when administering a loyalty

program.

Claim 38, Iannacci teaches:

wherein the loyalty program information comprises parameters that specify rules

useable in determining the two or more incentives (see paragraph 311-334).

Claim 39, Iannacci teaches:

wherein the rules comprise at least one of a rule based on a monetary value, a

rule based on the product identifier and a user selection, a rule based on an expiration

date, and a rule based on if an incentive in the plurality of incentives is combinable (see

paragraph 240).

Claim 40, Iannacci teaches:

wherein the portable device information comprises information specific to the

portable device, wherein determining the two or more incentives comprises using the

information specific to the portable device to determine the two or more incentives (see

paragraph 311-334).

Claim 41, Iannacci teaches:

wherein the transaction details comprise information specific to the loyalty

transaction, wherein determining the two or more incentives comprises using the

information specific to the loyalty transaction to determine the two or more incentives (see paragraph 311-334).

Claim 42, <u>Iannacci</u> teaches:

A device for determining two or more incentives to apply to a loyalty transaction, the device comprising:

a communicator configured to receive a request to process a loyalty transaction involving at least one product associated with a product identifier (see paragraph 311-328);

a program determiner configured to determine a plurality of incentives that are eligible for application to the loyalty transaction, the eligibility of each of the plurality of incentives is based at least one product identifier in the loyalty transaction, wherein at least two of the plurality of incentives are determined using the same product identifier in the loyalty transaction (see paragraph 311-334), *wherein the product identifier is a stock keeping unit (see paragraph 216)*;

an incentive selector configured to select two or more incentives from the plurality of incentives to apply to the loyalty transaction (see paragraph 311-334); and

an incentive applier configured to apply the determined two or more incentives to the loyalty transaction (see paragraph 311-334);

wherein the device comprises computer hardware (see paragraph 126), and wherein the device applies the two or more incentives to the loyalty transaction (see paragraphs 311-334) but does not teach in an offline manner. However, <u>Fernandez</u> teaches a loyalty system where a point of sale terminal operates in an offline manner

while determining the incentives to apply to a transaction (see paragraphs 26-31).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time

the application was made, to know that Iannacci would modify his invention to allow

loyalty programs to run in stand alone (i.e. offline) point of sale terminals, as taught by

Fernandez in order to eliminate the necessity to maintain continuous contact or access

between point of sale terminals and a central server when administering a loyalty

program.

Claim 43, Iannacci teaches:

wherein the communicator is configured to communicate with a portable device

to determine portable device information, the portable device information useable to

determine the plurality of incentives or the selected two or more incentives (see

paragraph 311-334).

Claim 44, Iannacci teaches:

wherein the communicator is configured to determine transaction details, the

transaction details useable to determine the plurality of incentives or the selected two or

more incentives (see paragraph 311-334).

Claim 45, Iannacci teaches:

an output configured to output a new total for the loyalty transaction based on the

applied two or more incentives (see paragraph 311-334).

Claim 46, Iannacci teaches:

a database configured to store information for the plurality of loyalty programs, the information useable to determine the plurality of incentives or the selected two or more incentives (see paragraph 311-334).

Claim 47, Iannacci teaches:

wherein the communicator is configured to cause update information for the loyalty transaction to be written to a portable device (see paragraph 311-328).

Claim 48, Iannacci teaches:

A system for determining two or more incentives to apply to a loyalty transaction, the system comprising:

one or more portable devices, each portable device including portable device information (see paragraph 178); and

one or more distribution channels, at least one distribution channel comprising:

a communicator configured to communicate with a portable device in the one or more portable devices for a loyalty transaction involving at least one product associated with a product identifier and to determine portable device information associated with the portable device (see paragraph 178);

an incentive selector configured to determine two or more incentives from a plurality of incentives associated with the at least one product to apply to the loyalty transaction, the two or more incentives determined based on the at least one product and the portable device information wherein at least two of the plurality of

incentives are determined using the same product identifier *wherein the product identifier is a stock keeping unit* (see paragraph 216, 311-334); and

an incentive applier configured to apply the determined two or more incentives to the loyalty transaction (see paragraph 311-334);

wherein the distribution channel operates while determining the plurality of incentive and applying the determined two or more incentives to the transaction (see paragraphs 126, 334). Iannacci does not teach said distribution channel operates in an offline manner. However, Fernandez teaches a loyalty system where a point of sale terminal operates in an offline manner while determining the incentives to apply to a transaction (see paragraphs 26-31). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the application was made, to know that Iannacci would modify his invention to allow loyalty programs to run in stand alone (i.e. offline) point of sale terminals, as taught by Fernandez in order to eliminate the necessity to maintain continuous contact or access between point of sale terminals and a central server when administering a loyalty program.

Claim 49, Iannacci teaches:

wherein the at least one distribution channel further comprises a program determiner configured to determine the plurality of incentives associated with the at least one product (see paragraph 311-334).

Claim 50, Iannacci teaches:

a host configured to download information relating to the plurality of incentives to at least one distribution channel, wherein the information is useable to determine the two or more incentives (see paragraph 311-334).

Claim 51, Iannacci teaches:

wherein the information relating to the plurality of incentives comprises at least one of a rule based on a monetary value, a ruled based on the at least one product and a user selection, a rule based on an expiration date, and a rule based on if an incentive in the plurality of incentives is combinable (see paragraph 240).

Claim 52, Iannacci teaches:

wherein the determined two or more incentives have a highest redemption value (see paragraphs 311-328).

Claim 60, Iannacci teaches:

wherein determining using the distribution channel two or more incentives from the plurality of incentives to apply to the transaction comprises: determining selection information; and determining the two or more incentives using the selection information (see paragraphs 311-334).

Claim 61, Iannacci teaches:

wherein the selection information comprises monetary values (see paragraphs 311-328).

Claim 62, Iannacci teaches:

wherein the selection information comprises expiration dates (see paragraph 240).

Claims 63-65, 67-69, Iannacci teaches:

wherein two or more incentives are offered by at least two different sponsors,

wherein each sponsor is associated with a different loyalty program (see paragraph 238

"visa, circuit city, sprint are giving rewards for a 36" Sony TV").

Claim 76, Iannacci teaches:

wherein the portable device is a first phone and wherein the distribution channel

comprises a second phone (see paragraph 36, 119 "cellular networks).

Claims 77-80, Iannacci teaches:

wherein the distribution channel comprises a physical point of sale device or a

mobile device (see paragraph 126).

Response to Arguments

4.   Applicant's arguments with respect to the claims have been considered but are

moot in view of the new ground(s) of rejection.

Conclusion

5.   Any inquiry concerning this communication or earlier communications from the

examiner should be directed to DANIEL LASTRA whose telephone number is 571-272-

6720 and fax 571-273-6720. The examiner can normally be reached on 9:30-6:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, ROBERT A WEINHARDT can be reached on (571)272-6633. The

official Fax number is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

/DANIEL LASTRA//D. L./
Primary Examiner, Art Unit 3688
December 16, 2009